The Digital Nomad Motivation in the Republic of Croatia

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Factor analysis;
Remote work

Abstract: Advances in computer and information technologies, widespread access to the Internet and more frequent use of mobile devices allowed for the development of new lifestyles and options for organization of work. Among the most prominent trends of this kind that seems to be gaining popularity is digital nomadism. Digital nomads abandoned the traditional work structures and choose to work remotely at locations that best suit their needs. This paper adds to existing research by investigating the motivation behind the decision to become a digital nomad in a less advanced economy. In order to achieve this aim, empirical research was carried out during the fall of 2022. The collected data was analyzed with Cronbach’s Alpha coefficient to test the reliability of the items and explorative factor analysis to extract different motivation factors. The results unveil that Croatian workers may be motivated to become digital nomads and what might motivate them to do so.

1. INTRODUCTION

In recent decades, new technologies, the widespread access to the Internet and information, as well as the more frequent use of mobile devices, affect the emergence of new lifestyles, trends in human behavior and the way companies build their organizational structures, business models, products and services as well as organize their work tasks. To keep up with those trends and a highly competitive market, companies exhibit an increase in demand for highly educated workers whose abilities and knowledge become the most important resources of an organization. Companies that want to retain the best experts should be ready to apply new organizational solutions for particular jobs and workers that are being enabled by the aforementioned new technological advances. One of the more prominent trends that is gaining popularity in recent years, allowing workers to develop a lifestyle wherein they work remotely and travel on the one hand, and organizations retain the best workers on the other, is called digital nomadism. The term ‘digital nomad’ most often refers to a job-oriented professional who rejects the imposed structures of the traditional way of working in the office and instead opts for autonomy, flexibility and the ability to travel and work from the place that suits them best at a given moment (Cook, 2020, p. 355). In modern conditions, some jobs become independent of time and location, which allows the workers to accept and live the idea of merging remote work and travel as a lifestyle. Although when the trend of digital nomadism was still not widespread and most digital nomads were not employers of a particular company but worked as external associates, recently an increasing number of workers (their number may be in the hundreds of thousands, Schlagwein, 2018) decide to work as the company employee who is not related to a location. Therefore, a digital nomad could be defined as an individual who is not dependent on time and place, and whose lifestyle is allowed through the availability of three main resources: intelligent mobile devices, high-speed internet access and access to information necessary to carry out his work (Bartosik-Purgat, 2018). Digital nomads seek to abandon the traditional rigid work practices, as well as the binary balance of home/workplace, and working hours/holidays, that they leave to find freedom and self-realization (Mancinelli, 2020).

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2. LITERATURE REVIEW

The first authors to write about the phenomenon of digital nomadism were Makimoto and Manners (1997) who predicted that people would be able to choose to be mobile, i.e. ‘nomads’, owing to the advancements in digital technology, thus coining the term digital nomad. Since the study of this phenomenon as a modern form of work has great importance for the academic and professional community (Frick & Marx, 2021), different researchers attempted to describe different aspects of the behavior and characteristics of digital nomads. Some researchers on digital nomads focused their attention on describing the digital nomad's lifestyle (Haking, 2017), and attempting to integrate digital nomads into a workplace (Leitner, 2016), but the most considerable body of work dealt with finding and describing basic characteristics of digital nomads. Digital nomads define themselves as non-tourists, highly mobile and work-oriented (Cook, 2020). They seek to combine motives for tourism, leisure and business activities to build a unique lifestyle based on remote work, travel around the world and frequently change places of residence (Mancinelli, 2020). Furthermore, digital nomads differ from traditional workers since they need to apply harder than traditional workers to find a balance between their work and personal life. They also differentiate from other remote workers, since they choose to stay in destinations for shorter periods and do not have a permanent place of residence. Digital nomads are more entrepreneurial than typical workers and also more accustomed to job insecurity (de Almeida et al., 2021). Furthermore, digital nomads are mostly highly-qualified workers from developed Western countries who choose to align their lifestyles with digital work (Schlagwein & Jarrahi, 2020), who work in software development, graphic design, and information technology (Getman, 2021), but also as journalists, military personnel, travel guides, seasonal workers, enterprise managers, etc. (Mancinelli, 2020). It was also found that digital nomads predominantly choose locations in Thailand or Indonesia for their temporary residences (Carter, 2016; Schlagwein, 2018). In addition, Statista (2022) found that digital nomads are mostly in their thirties (47% of them). According to Getman (2021), as much as 40% of workers from the IT sector worked remotely, but this trend in digital work is on the rise (Schlagwein, 2018). This rise in digital nomadism may be seen from the fact that many jobs from the financial, management, professional services and information sectors might be performed remotely (Lund et al., 2020). The aforementioned also points to the conclusion that the number of digital nomad workers may have the potential to increase in the future.

Another important area of research on digital nomads is the impact they have on their environment. When describing their influence on the economic environment, de Almeida et al. (2021) concluded that digital nomads challenge the traditional economy since they deal with novel technologies, have untraceable finances and consume services produced within the ‘grey-market’. Aside from the aforementioned influence on the economy, it was found by different authors that digital nomadism has a deeper and positive impact on other aspects of the world economy. For example, digital nomads are becoming a phenomenon that encourages an entire industry to adapt to this group of workers, primarily specific tourist services (Frick & Marx, 2021; Hannonen, 2020; Thompson, 2019; Wiranatha et al., 2020), but also specific IT and communication solutions. In order to entice digital nomads to accept a specific tourist service or destination, this aspect of behavior of digital nomads was also researched. Considering the influence of digital nomads on the economic and tourist sectors, different authors tried to define and describe possible motives that encouraged individuals to choose this way of working and living so as to be able to predict their behavior. Thus Muller (2016) found that digital nomads strive to satisfy their need for freedom by traveling while working. Cook (2020) argues that the main motivational factor
for digital nomads is most often considered the desire to escape from the disciplinary structure of the modern workplace, which primarily includes eight-hour working hours, micro managerial strategies of superiors and daily trips to the workplace. Mancinelli (2020) argues that digital nomads are motivated to travel to find a more meaningful life, allowing them to free themselves from a fixed workplace and carry work with them while exploring different cultures and places. Schlagwein (2018) finds that digital nomads have different value systems that can explain the motives that encourage them to opt for this lifestyle. Namely, digital nomads have developed their value system in which they abandon the values of wealth accumulation, stability and comfort and replace them with the values of minimalism, uncertainty and risk (Mancinelli, 2020). In line with the above, Frick and Marx (2021) conclude that while this lifestyle allows for more freedom, it also implies more job insecurity. However, in addition to the desire for freedom and insecurity that characterize the motives of digital nomads, some authors conclude that some of them also base their lifestyle decisions on economic reasons (Schlagwein, 2018) or that some of the motives are both tourist and business nature. Among these studies stands out that of Prabawa and Pertiwi (2020) who explore the motives of digital nomads coming to Bali. The results of this research suggest that digital nomads in Bali are attracted by tourist motives, such as an inspiring destination or pleasant and fun activities, but also factors concerning prerequisites for work, such as locations that provide support for work and stay, job-related motives and expansion of the business network.

Despite the aforementioned research, the literature studying the phenomenon of digital nomads was described as missing by some relevant authors (Kong et al., 2019; Muller, 2016). One of the gaps in digital nomad research is the acceptance of trends among workers in less developed countries, such as Croatia. To better understand this phenomenon and the propensity to adopt it, it is necessary to understand the motives for choosing this lifestyle and work conditions. Therefore, this paper will try to explore whether there are motives for becoming a digital nomad among Croatian workers, as well as what those motives might be.

3. **EMPIRICAL RESEARCH**

The measuring instrument used in this research was a questionnaire consisting of two parts. The first part of the questionnaire was compiled of questions and claims developed from the questionnaires and findings from the relevant literature that dealt with the study of the phenomenon of digital nomads (Haking, 2017; Prabawa & Pertiwi, 2020; Smercina, 2019). The second part of the questionnaire consisted of general questions that provided data on the demographic characteristics of respondents, such as their age, average monthly household income they have, education, workplace, etc. The questionnaire was administered to respondents online during the fall of 2022. 104 respondents employed in workplaces that enable remote work in the Republic of Croatia filled out the survey and the collected data was analyzed. 72% of the respondents were female, residing in different parts of the country, they mostly had reached a higher education level and mostly lived in families with more than 3 members.

The research showed that 61% of all respondents found digital nomadism attractive or partly attractive, and 49% of them would pursue this lifestyle. However, when asked whether they see themselves as digital nomads within 1 month or 6 months, 67% and 63% of them answered no, respectively. Furthermore, when answers related to work conditions, business atmosphere, and working hours were analyzed; it could be noted that in almost all questions, more than 50% of respondents answered positively, which means they saw positive aspects of this way of working.
65% of respondents found tourist trips as a motive for becoming digital nomad. Analyzing the differences in responses concerning gender, no difference was observed, while younger respondents generally had more positive attitudes toward digital nomads than older ones.

Furthermore, exploratory factor analysis was performed using the principal components method to differentiate the motives of digital nomadism based on the questionnaire. The reliability of the questionnaire was examined by the Cronbach Alpha coefficient and the questionnaire was found reliable (0.924) which meant that it had internal consistency. The Kaiser-Meyer-Olkin test of the adequacy of sampling (0.823) showed that the sample was adequate. The appropriateness of the sample was tested using Bartlett's test of sphericity (1167.37; p=0.000). For easier interpretation, the Varimax rotation was chosen. Four factors were extracted and the amount of 72.33% of the total variance was explained. The extracted factors were: Socio-political reasons, Changes in standard working conditions, Desire to change life, and Desire to travel. The first factor 'Socio-political reasons' was strongly related with seven variables which referred to more favorable economic conditions, better political conditions, greater trust in social institutions, loss of faith in traditional roles, and dissatisfaction with current life. The second-factor 'Change in standard working conditions' referred to finding new business opportunities, earning money without the burden of office life, more favorable working hours and freedom and new experiences, and included four questions from the questionnaire. The third factor 'Desire to change life' included five questions, and it mainly referred to the attractiveness of the digital nomad lifestyle, the desire to experiment in the life of a digital nomad, the possibility of meeting other people who have similar interests, more opportunities to find accommodation with an acceptable price, more positive atmosphere for remote work. The fourth factor 'Desire to travel' consisted of two claims from the questionnaire and referred to a great desire to travel and considering travel a lifestyle. The results of the factor analysis are shown in Table 1.

Table 1. Factors loadings for variables in factor analysis

<table>
<thead>
<tr>
<th>Factors</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital nomadism would allow me to find a place to live that is related to my work/project.</td>
<td>0.606</td>
<td></td>
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<tr>
<td>I am thinking about digital nomadism because I want to find more favorable economic conditions than those in the Republic of Croatia.</td>
<td>0.584</td>
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<tr>
<td>I would opt for digital nomadism in order to find a destination with better political conditions than those in the Republic of Croatia.</td>
<td>0.718</td>
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<td></td>
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<tr>
<td>I am thinking about digital nomadism because I have lost trust in social institutions in the Republic of Croatia.</td>
<td>0.821</td>
<td></td>
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<tr>
<td>Digital nomadism attracts me because I want to find better conditions for family life - better education, better health and social protection, etc.</td>
<td>0.693</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Digital nomadism attracts me because I have lost faith in traditional roles and the course of life that are socially acceptable.</td>
<td>0.787</td>
<td></td>
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<tr>
<td>I intend to try digital nomadism because I feel dissatisfied with my current life.</td>
<td>0.724</td>
<td></td>
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<tr>
<td>Digital nomadism would allow me to find new business opportunities.</td>
<td>0.695</td>
<td></td>
<td></td>
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<tr>
<td>Digital nomadism would allow me to earn money without the burden of office life.</td>
<td>0.869</td>
<td></td>
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<tr>
<td>Digital nomadism would allow me more favorable working hours.</td>
<td>0.756</td>
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<tr>
<td>Digital nomadism gives me freedom and new experiences.</td>
<td>0.514</td>
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<tr>
<td>I find the life of digital nomads attractive.</td>
<td>0.706</td>
<td></td>
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<tr>
<td>I would like to try to be a digital nomad.</td>
<td>0.550</td>
<td></td>
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<tr>
<td>I like digital nomadism the most because it gives me the opportunity to meet other people who have similar interests as me.</td>
<td>0.754</td>
<td></td>
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<tr>
<td>Digital nomadism would give me more opportunities to find affordable accommodation.</td>
<td>0.616</td>
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<tr>
<td>Digital nomadism would provide me with a positive atmosphere for working remotely.</td>
<td>0.704</td>
<td></td>
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<tr>
<td>Digital nomadism attracts me because I have a great desire to travel.</td>
<td>0.832</td>
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<td></td>
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<tr>
<td>Digital nomadism appeals to me because I consider travel a lifestyle.</td>
<td>0.819</td>
<td></td>
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</table>

Source: authors' calculation
4. FUTURE RESEARCH DIRECTIONS

There are many future research directions this paper could not have followed due to the limitations of the research. Digital nomadism has not been researched enough in the context of developing countries, so future research should deal with this problem further, i.e., the motives for digital nomads should be investigated in other less developed and underdeveloped countries. The additional direction could be the investigation of factors that might affect the decision for becoming a digital nomad. Also, technological prerequisites or attitudes about this lifestyle in the community in less developed countries could be analyzed.

5. CONCLUSION

One of the more prominent trends that is gaining popularity in recent years, allowing workers to develop a lifestyle wherein they work remotely and travel on the one hand, and organizations retain the best workers on the other, is called digital nomadism. Recently, this way of working has become more and more popular. There is research conducted on this topic, but in Croatia, there is a lack of such research. To fill this gap in the understanding of this trend, research into the motives of Croatian workers employed in jobs that allow remote work was conducted. The research was conducted via survey. The collected data was analyzed with an exploratory factor analysis that resulted in the extraction of four factors. These factors were: Socio-political reasons, Changes in standard working conditions, Desire to change life, and Desire to travel. Based on the conducted analysis, a conclusion can be made about the motives for choosing digital nomadism as a way of working, but also of leisure and free time. Social and political reasons could be singled out as the first motive. People see digital nomadism as an opportunity to find more favorable economic or political conditions or to find a destination with better political conditions than those in the Republic of Croatia, or better education, better health and social protection, etc. The second group of motives can include all motives associated with the desire to change standard working conditions. People are motivated by the opening of new opportunities, by working without a traditional office, and the absence of traditional working hours from 9 to 17, which gives them freedom in organizing all their work and free time. The third group of motives comprised those related to a desire to alter their life and it mainly referred to the attractiveness of the digital nomad lifestyle, the desire to experiment with the life of a digital nomad, the possibility of meeting other people who have similar interests, more opportunities to find accommodation with an acceptable price, more positive atmosphere for remote work. The fourth group of motives is related to people's desire to travel and they see this way of working as an opportunity to visit destinations and places they wouldn't visit otherwise. The conducted research provided a better understanding of the opinion and motives that might encourage Croatian workers to choose to be digital nomads. But there are other directions future research should investigate, such as attitudes about digital nomads and motives for choosing this lifestyle in other less developed countries.
References


